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C O N F I D E N T I A L SECTION 01 OF 03 TAIPEI 000134

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TAGS: [PGOV](#) [TW](#)

SUBJECT: HSIEH AND MA FOREIGN POLICY ADVISORS ON THE UN
REFERENDUM, PRESIDENTIAL RACE, AND LY POLITICS

REF: A. TAIPEI 123

[1](#)B. TAIPEI 119

Classified By: AIT Director Stephen M. Young,
Reasons: 1.4 (b/d)

[1](#)1. (C) Summary: DPP International Affairs Director Bikhim Hsiao told visiting EAP/TC Deputy Director Sue Bremner on January 24 that the DPP's heavy defeat in recent legislative elections has unified the party and energized Green supporters behind the campaign of presidential candidate Frank Hsieh. Hsieh hopes to pull out a come-from-behind "miracle" win in the March 22 presidential election, Hsiao said, and she urged the U.S. to refrain from reiterating opposition to the UN referendum, which is damaging to the Hsieh campaign. In a separate meeting, Su Chi, foreign policy advisor to KMT candidate Ma Ying-jeou, told Bremner that the KMT is only feigning interest in its own UN referendum in order to blunt DPP criticism and maintain voter support, and could ultimately urge its supporters to boycott UN referenda balloting on March 22. KMT candidate Ma Ying-jeou will agree to debate Hsieh only in the last month of the race because the KMT does not want to help Hsieh raise his public profile, Su said. End Summary.

DPP Hopes for a "Miracle" in the Presidential Race

[1](#)2. (C) In a meeting on January 24, Bikhim Hsiao, who serves as international affairs director for the DPP and for presidential candidate Frank Hsieh, told visiting EAP/TC Deputy Director Sue Bremner that the January 12 Legislative Yuan (LY) election defeat has unified the DPP strongly behind Hsieh. Following the LY defeat, Hsieh moved immediately to consolidate the support of pro-independence party elders, and he now has more room to move toward the middle on controversial issues such as cross-Straits relations. Hsieh also has reached out to a number of Taiwan's smaller parties, hoping to build a "rainbow coalition" against the KMT. The LY election defeat has energized core DPP supporters as well as light Green voters who are concerned that a KMT presidency could mean a return to one-party domination. The sense of "crisis" both within the party and the electorate has boosted support for Hsieh by seven percent, Hsiao noted. Although Hsieh still trails KMT presidential candidate Ma Ying-jeou, the DPP expects the gap to narrow in the coming weeks, giving

Hsieh a chance to pull out a "miracle" presidential victory.

13. (C) Hsiao explained that the Hsieh campaign is focused on consolidating support from traditional DPP supporters, especially those who chose not to vote in the LY elections because of disappointment with the Chen administration. Hsieh also hopes to win over the large segment of "swing" voters by highlighting the need to elect a DPP president to counter-balance the KMT's super majority in the LY. Hsieh will also continue contrasting his strong performance as mayor of Kaohsiung with Ma's weak record in Taipei in order to woo voters who value leadership and capability over party affiliation. Hsiao added that Ma's weak leadership in the past suggests that as president he would be unable to control the more extreme pro-China wing of his party and stem initiatives that would start a trend toward unification.

DPP's Bixhim Hsiao Urges U.S. Restraint on UN Referendum

14. (C) Hsiao urged the U.S. to refrain from restating or expressing even stronger opposition to the DPP-backed UN referendum prior to the March 22 presidential election. U.S. criticism of the referendum has damaged Hsieh's candidacy and, Hsiao asserted, constitutes "interference" in Taiwan's democratic process. People on Taiwan clearly understand the U.S. position, but failure to pass either the DPP or KMT UN referenda would be detrimental to Taiwan's international status, she argued. To avoid such an outcome, Hsieh has asked President Chen to work with KMT leaders to try to reach a mutually-acceptable solution. Hsiao underscored that Hsieh as president would be careful to interpret the meaning of the UN referenda in a way that would not lead to cross-Strait

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instability.

KMT "Pretending" on Referendum

15. (C) In a separate meeting the same day, outgoing Legislator Su Chi, who is Ma Ying-jeou's foreign policy advisor, told Bremner he regarded Hsieh's call for a "compromise" on the referendum issue as only an attempt to cause the KMT to embarrass itself. The KMT is only "pretending" to be interested in its own UN referendum, but cannot admit this without losing voter support, Su confided. Although the KMT will continue to back its referendum in the upcoming weeks before the March 22 presidential election, it is very possible the party may ultimately urge its supporters to boycott both UN referenda. Su also said Ma will agree to debate Hsieh, but only in the last month of the race. Hsieh is suffering from low media visibility, explained Su, and the KMT is in no rush to help him raise his public profile.

Ma Ying-jeou and Wu Poh-hsiung Taking Control of LY?

16. (C) Su observed that Ma and party Chairman Wu Poh-hsiung have never served in the LY and do not fully understand how it works. For this reason, they have tended to leave KMT LY Speaker Wang Jin-pyng in charge of the KMT caucus. (Comment: Wang is considered Ma's chief rival within the party. End comment.) Two recent developments suggest this laissez-faire attitude may be changing. First, Wu appointed third-term Kaohsiung Legislator Lin Yi-shih to serve as KMT caucus whip and executive director of the KMT Policy Committee. However, Lin is regarded as a political lightweight without the clout or connections needed to enforce party discipline. If the caucus follows Lin's lead despite these personal shortcomings, Su opined, it could mean Wu himself is weighing in behind the scenes. Second, many KMT legislators who won close races owe their victories to vigorous campaigning by Ma Ying-jeou. As a consequence, Ma enjoys greater support in the LY than ever before, said Su,

implying that Ma will now have leverage over KMT legislators that he did not enjoy in the past.

KMT's Su Worries About Small Parties in LY

17. (C) Su expressed concern that the newly reconfigured 113-seat LY is vulnerable to being taken "hostage" by small legislative coalitions. Revisions to the caucus rules that were passed last December concentrate too much power in too few hands, Su maintained. The new rules allow parties with only three members to participate in inter-party caucus meetings called by LY speaker Wang Jin-pyng and to assert the "party caucus rule," which results in pending legislation being tabled for four months. Worse yet, said Su, the new rules enable parties with fewer than three members to form coalitions and send representatives to caucus meetings, where they too can "freeze" legislation for months. Under this system, three legislators from three different parties can have the same clout as the KMT with its 81 legislators, he lamented. According to Su, 40 legislators had endorsed an editorial he had penned in opposition to this new system, but party leaders asked him to shelve it to foster better relations with the small, Blue-allied Non-Partisan Solidarity Union (NPSU). (Note: In addition to 81 KMT and 27 DPP legislators, the new LY has 3 NPSU members, one member of the People First Party (PFP) and one independent.)

Comment

18. (C) Bikhim Hsiao's comments to Bremner were quite similar to remarks by Frank Hsieh to the Director on January 23 (Ref B) in a meeting in which Hsiao also participated. Though recognizing the difficulties of overtaking Ma and winning the presidential election, DPP leaders expect that greater unity and a sense of crisis will enable the party to do substantially better than its dismal performance in the LY

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elections. The new LY takes office on February 1, and much attention will be focused on whether the KMT, which together with its allies controls 3/4 of the seats, will be able to act more responsibly than in the past and in closer coordination with Ma Ying-jeou. Presidential election competition will complicate efforts aimed at resolving the UN referendum issue.
YOUNG